

LaJuana S. Wilcher
Secretary

AIR QUALITY PERMIT

Issued under 401 KAR 52:040
STATE ORIGIN

Ernie Fletcher
Governor



Commonwealth of Kentucky
Natural Resources and Environmental Protection Cabinet
Department for Environmental Protection
Division for Air Quality
803 Schenkel Lane
Frankfort, Kentucky 40601
(502) 573-3382

Permittee Name: Canton Cooperage, Inc.
Mailing Address: 365 South Woodlawn Ave. Lebanon, Kentucky 40033

is authorized to construct and operate a cooperage and toasting operation

Source Name: Canton Cooperage, Inc.
Mailing Address: 365 South Woodlawn Ave. Lebanon, Kentucky 40033
Source Location: 365 South Woodlawn Ave. Lebanon, Kentucky 40033

KYEIS ID #:	21-155-00035	SIC Code:	2449
Log Number:	56138	County:	Marion
AI Number:	46439		

Permit Number:	S-03-131	Permit Type:	Minor Source Construction/Operating
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Regional Office:	Bowling Green 1508 Western Ave. Bowling Green, KY 42104 (270)-746-7475	Completion Date:	December 15, 2003
		Issuance Date:	December 24, 2003
		Expiration Date:	December 24, 2013

John S. Lyons, Director
Division for Air Quality

State-Origin Construction/Operating

Canton Cooperage Inc

Subject Item Inventory

Activity ID No.: APE20030002

Subject Item Inventory:

ID	Designation	Description
AIOO46439		
AREA1	EP7	Haul road
COMB1	EP3	Barrel formation and dry kiln BOILER; Fuel: natural gas; 4.18mmBtu/hr
COMB2	EP4	Barrel toasting operation; Fuel: wood; 135 lb/hr
COMB3	EP6	Oak chip toasting; Fuel: natural gas
EQPT1	EP1	Saw mill (rough dimensional stave) operation; 13,578 tn/yr
EQPT2	EP2	Cooperage operation; 9448 tn/yr
EQPT3	EP5	Oak chip production; 135 tn/yr

KEY

ACTV = Activity

AREA = Area

EQPT = Equipment

PERS = Personnel

STOR = Storage

TRMT = Treatment

AIOO = Agency Interest

COMB = Combustion

MNPT = Monitoring Point

PORT = Transport

STRC = Structure

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Submittal/Action Requirements:

Condition

No.

Condition

S-1

SEMIANNUAL REPORTS:

The permittee shall submit report(s): Due semiannually, by the 30th of January and July to the Regional Office listed on the front of this permit at least every six (6) months during the life of this permit. This report shall be a summary of any monitoring required by this permit, other than continuous emission or opacity monitors. For emission units that had not yet begun construction, were still under construction, or which had not commenced operation at the end of the 6-month period covered by the report and are subject to monitoring requirements in this permit, the report shall indicate that no monitoring was performed during the previous six months because the emission unit was not in operation. All reports shall be certified by a responsible official. All deviations from permit requirements shall be clearly identified in the reports. [401 KAR 52:040 Section 21]

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Submittal/Action Requirements:

Condition No.	Condition
S-2	<p>COMPLIANCE CERTIFICATION:</p> <p>The permittee shall certify compliance with the terms and conditions contained in this permit and shall submit compliance certification: Due annually, by the 30th of January to the Regional Office listed on the front of this permit. Compliance Certification Form (DEP 7007CC) (or an approved alternative) shall be used in accordance with the following requirements:</p> <ol style="list-style-type: none">Identification of the term or condition;Compliance status of each term or condition of the permit;Whether compliance was continuous or intermittent;The method used for determining the compliance status for the source, currently and over the reporting period, andFor emission units that had not yet begun construction, were still under construction, or which had not commenced operation at the end of the 12-month period covered by the annual compliance certification, the permittee shall indicate that the unit is not in operation and that compliance with any applicable requirements will be demonstrated within the timeframes specified in the permit.The certification shall be postmarked by January 30th of each year. Annual compliance certifications should be mailed to the Regional Office listed on the front of this permit and the following address: <p>Division for Air Quality Central Files 803 Schenkel Lane Frankfort, KY 40601. [401 KAR 52:040 Section 19]</p>
S-3	<p>NOTIFICATION:</p> <p>The following information shall be reported:</p> <ol style="list-style-type: none">Date when construction commenced, (See Requirement H1.).Start-up date of each of the affected facilities listed on this permit.Date when maximum production rate was achieved, (See Requirement H2.). The permittee shall submit information: Due within 30 days after construction commencement or within 15 days following start-up and attainment of maximum production rate, or within 15 days following the issuance date of this permit, whichever is later, to the Regional Office listed on the front of this permit, with a copy to the Division's Frankfort Central Office. [401 KAR 59:005 Section 3(1)]

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Submittal/Action Requirements:

Condition No.	Condition
S-4	<p>PERFORMANCE TEST REPORT:</p> <p>For any performance test(s) required by this permit, the permittee shall submit performance/emission test results: Due within 45 days of the completion of the fieldwork to the Division [Policy Manual of the Division for Air Quality, Section VII.3]. [401 KAR 50:016 Section 1(1)]</p>
S-5	<p>PERMIT EXPIRATION AND REAPPLICATION REQUIREMENTS:</p> <p>This permit shall remain in effect for a fixed term of ten (10) years following the original date of issue. Permit expiration shall terminate the source's right to operate unless a timely and complete renewal application has been submitted to the Division. The permittee shall submit permit application for renewal: Due 180 calendar days before permit expiration date to the Division. Upon a timely and complete submittal, the authorization to operate within the terms and conditions of this permit, including any permit shield, shall remain in effect beyond the expiration date, until the renewal permit is issued or denied by the Division. [401 KAR 52:040 Section 15]</p>

Narrative Requirements:

Condition No.	Condition
T-1	<p>SECTION A. PERMIT AUTHORIZATION. [401 KAR 52:040]</p>
T-2	<p>A1. Pursuant to a duly submitted application, the Kentucky Division for Air Quality hereby authorizes the construction and operation of the equipment described herein in accordance with the terms and conditions of this permit. This permit has been issued under the provisions of Kentucky Revised Statutes Chapter 224 and regulations promulgated pursuant thereto.</p> <p>The permittee shall not construct, reconstruct, or modify an affected facility without first having submitted a complete application and received a permit for the planned activity from the Division, except as provided in this permit or in 401 KAR 52:040, State-origin permits.</p> <p>Issuance of this permit does not relieve the permittee from the responsibility of obtaining other permits, licenses, or approvals that may be required by the Cabinet or other federal, state, or local agencies. [401 KAR 52:040]</p>

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Narrative Requirements:

Condition No.	Condition
T-3	SECTION B. ADMINISTRATIVE REQUIREMENTS. [401 KAR 52:040]
T-4	B1. The permittee shall comply with all conditions of this permit. Noncompliance shall be a violation of 401 KAR 52:040, Section 3(1)(b) and is grounds for enforcement action including but not limited to the termination, revocation and reissuance, or revision of this permit. [401 KAR 52:040 Section 3(1)(b)]
T-5	B2. Any condition or portion of this permit which becomes suspended or is ruled invalid as a result of any legal or other action shall not invalidate any other portion or condition of this permit. [Cabinet Provisions and Procedures for Issuing State Origin Permits, Section 1a (11)]. [401 KAR 52:040 Section 23]
T-6	B3. This permit may be revised, revoked, reopened, reissued, or terminated for cause. The filing of a request by the permittee for any permit revision, revocation, reissuance, or termination, or of a notification of a planned change or anticipated noncompliance shall not stay any permit condition. [Cabinet Provisions and Procedures for Issuing State Origin Permits, Section 1a (4) and (5)]. [401 KAR 52:040 Section 23]
T-7	B4. This permit does not convey property rights or exclusive privileges. [Cabinet Provisions and Procedures for Issuing State Origin Permits, Section 1a, 8]. [401 KAR 52:040 Section 23]
T-8	B5. Nothing in this permit shall alter or affect the liability of the permittee for any violation of applicable requirements prior to or at the time of permit issuance. [401 KAR 52:040 Section 11(3)]
T-9	B6. This permit shall be subject to suspension at any time the permittee fails to pay all fees within 90 days after notification as specified in 401 KAR 50:038 Section 3(6)(b), Air emissions fee. The permittee shall submit an annual emissions certification. [401 KAR 52:040 Section 20]
T-10	B7. All previously issued construction and operating permits are hereby null and void. [401 KAR Chapter 52]
T-11	SECTION C. RECORD KEEPING REQUIREMENTS. [401 KAR 52:040]
T-12	C1. Records of all required monitoring data and support information, including calibrations, maintenance records, and original strip chart recordings, and copies of all reports required by the Division for Air Quality, shall be retained by the permittee for a period of at least five years and shall be made available for inspection upon request by any duly authorized representative of the Division for Air Quality. [Cabinet Provisions and Procedures for Issuing State Origin Permits, Sections 1b (IV)(2) and 1a (7)]. [401 KAR 52:040 Section 23]
T-13	C2. The permittee shall perform compliance certification and recordkeeping sufficient to assure compliance with the terms and conditions of the permit. Documents, including reports, shall be certified by a responsible official. [401 KAR 52:040 Section 21]
T-14	SECTION D. REPORTING REQUIREMENTS. [401 KAR 52:040]

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Narrative Requirements:

Condition No.	Condition
T-15	<p>D1. a. The permittee shall notify the Regional Office listed on the front of this permit concerning startups, shutdowns, or malfunctions as follows</p> <p>i. When emissions during any planned shutdowns and ensuing startups will exceed the standards, notification shall be made no later than three (3) days before the planned shutdown, or immediately following the decision to shut down, if the shutdown is due to events which could not have been foreseen three (3) days before the shutdown.</p> <p>ii. When emissions due to malfunctions, unplanned shutdowns and ensuing startups are or may be in excess of the standards notification shall be made as promptly as possible by telephone (or other electronic media) and shall submit written notice upon request.</p> <p>b. The permittee shall promptly report deviations from permit requirements including those attributed to upset conditions (other than emission exceedances covered by Reporting Requirement condition D1.a above), the probable cause of the deviation, and corrective or preventive measures taken; to the Regional Office listed on the front of this permit within 30 days. Other deviations from permit requirements shall be included in the semiannual report. [Cabinet Provisions and Procedures for Issuing State Origin Permits, Section 1b, V(3)]. [401 KAR 50:055 Section 1]</p>
T-16	<p>D2. The permittee shall furnish information requested by the Cabinet to determine if cause exists for modifying, revoking and reissuing, or terminating the permit; or compliance with the permit. [Cabinet Provisions and Procedures for Issuing State Origin Permits, Section 1a, 6]. [401 KAR 52:040 Section 23]</p>
T-17	<p>SECTION E. INSPECTIONS. [401 KAR 52:040]</p>
T-18	<p>E1. The permittee shall allow authorized representatives of the Cabinet to perform the following during reasonable times:</p> <p>a. Enter upon the premises to inspect any facility, equipment (including air pollution control equipment), practice, or operation;</p> <p>b. To access and copy any records required by the permit;</p> <p>c. Inspect any facilities, equipment (including monitoring and pollution control equipment), practices, or operations required by the permit.</p> <p>d. Sample or monitor substances or parameters to assure compliance with the permit or any applicable requirements.</p> <p>Reasonable times are defined as during all hours of operation, during normal office hours; or during an emergency. [401 KAR 52:040 Section 3(1)(f)]</p>
T-19	<p>SECTION F. EMERGENCIES/ENFORCEMENT PROVISIONS. [401 KAR 52:040]</p>
T-20	<p>F1. The permittee shall not use as defense in an enforcement action, the contention that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance [Cabinet Provisions and Procedures for Issuing State Origin Permits, Section 1a, 3]. [401 KAR 52:040 Section 23]</p>

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Narrative Requirements:

Condition No.	Condition
T-21	<p>F2. An emergency shall constitute an affirmative defense to an action brought for the noncompliance with the technology-based emission limitations if the permittee demonstrates through properly signed contemporaneous operating logs or relevant evidence that:</p> <ol style="list-style-type: none">An emergency occurred and the permittee can identify the cause of the emergency;The permitted facility was at the time being properly operated;During an emergency, the permittee took all reasonable steps to minimize levels of emissions that exceeded the emissions standards or other requirements in the permit; andThe permittee notified the Division as promptly as possible and submitted written notice of the emergency to the Division within two working days after the time when emission limitations were exceeded due to the emergency and included a description of the emergency, steps taken to mitigate emissions, and corrective actions taken. <p>These provisions are in addition to any emergency or upset provision contained in an applicable requirement. [401 KAR 52:040 Section 22(1)]</p>
T-22	<p>F3. In an enforcement proceeding, the permittee seeking to establish the occurrence of an emergency shall have the burden of proof. [401 KAR 52:040 Section 22(2)]</p>
T-23	<p>SECTION G. COMPLIANCE. [401 KAR 52:040]</p>
T-24	<p>G1. Periodic testing or instrumental or non-instrumental monitoring, which may consist of record keeping, shall be performed to the extent necessary to yield reliable data for purposes of demonstration of continuing compliance with the conditions of this permit. For the purpose of demonstration of continuing compliance, the following guidelines shall be followed:</p> <ol style="list-style-type: none">Pursuant to 401 KAR 50:055, General compliance requirements, Section 2(5), all air pollution control equipment and all pollution control measures proposed by the application in response to which this permit is issued shall be in place, properly maintained, and in operation at any time an affected facility for which the equipment and measures are designed is operated, except as provided by 401 KAR 50:055, Section 1.All the air pollution control systems shall be maintained regularly in accordance with good engineering practices and the recommendations of the respective manufacturers. A log shall be kept of all routine and non routine maintenance performed on each control device.A log of the monthly raw material consumption and/or monthly production rates shall be kept available at the facility. Compliance with the emission limits may be demonstrated by computer program, spread sheets, calculations or performance tests as may be specified by the Division. [401 KAR 50:055 Section 2]
T-25	<p>G2. Permit Shield - A permit shield shall not protect the owner or operator from enforcement actions for violating an applicable requirement prior to or at the time of permit issuance. Compliance with the conditions of this permit shall be considered compliance with all:</p> <ol style="list-style-type: none">Applicable requirements that are included and specifically identified in this permit; orNon-applicable requirements expressly identified in this permit. [401 KAR 52:040 Section 11]
T-26	<p>SECTION H. CONSTRUCTION REQUIREMENTS. [401 KAR 52:040]</p>

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Condition No.	Condition
T-27	H1. Unless construction is commenced on or before 18 months after the date of issue of this permit, or if construction is commenced and then stopped for any consecutive period of 18 months or more, or is not completed within a reasonable timeframe then the construction and operating authority granted by this permit for those affected facilities for which construction was not completed shall immediately become invalid. Upon a written request, the cabinet may extend these time periods if the source shows good cause. [401 KAR 52:040 Section 12(3)]
T-28	H2. Unless notification and justification to the contrary are received by this Division, the date of achieving the maximum production rate at which the affected facilities will be operated shall be deemed to be 30 days after initial start-up. [401 KAR 59:005 Section 3(1)(b)]
T-29	H3. Operation of the affected facilities authorized by this permit shall not commence until compliance with applicable standards specified herein has been demonstrated in accordance with the requirements of 401 KAR 52:040, Section 12(4)(a) and (b). Until compliance is demonstrated, the source may only operate for the purpose of demonstrating compliance. [401 KAR 52:040 Section 12(4)(b)]
T-30	H4. If a demonstration of compliance, through performance testing was made at a production rate less than the maximum specified in the application form, then the permittee is only authorized to operate at a rate that is not greater than 110 percent of the rate demonstrated during performance testing. If and when the facility is capable of operation at the rate specified in the application, compliance must be demonstrated at the new production rate if required by the Division [Policy Manual of the Division for Air Quality, Section VII 1.(2 and 3)]. [401 KAR 50:016 Section 1(1)]

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AREA1 (EP7) Haul road:

Narrative Requirements:

Monitoring:

Condition

No. Condition

T-1 Monitoring: The permittee shall monitor and keep records of the amount of wood delivered on a monthly basis. [401 KAR 52:040 Section 10]

Condition

No. Condition

T-2 This activity is insignificant and 401 KAR 63:010 is generally applicable. [401 KAR Chapter 52]

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COMB1 (EP3) Barrel formation and dry kiln BOILER; Fuel: natural gas; 4.18mmBtu/hr:

Narrative Requirements:

Monitoring:

Condition No.	Condition
T-1	Monitoring: The Permittee shall monitor and keep records of the amount of natural gas combusted on a monthly basis. [401 KAR 52:040 Section 10]
Condition No.	Condition
T-2	This activity is insignificant and 401 KAR 59:015 is generally applicable. [401 KAR Chapter 52]

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COMB2 (EP4) Barrel toasting operation; Fuel: wood; 135 lb/hr:

Limitation Requirements:

Condition No.	Parameter	Condition
L-1	PT (Particulate Matter)	Each unit shall have emissions of PT (Particulate Matter) <= 2.34 lb/hr. [401 KAR 59:010 Section 3(2)] Statistical basis: Three-hour average.
L-2	Visible Emissions	Each unit shall have Visible Emissions < 20 % opacity. [401 KAR 59:010 Section 3(1)] Statistical basis: Six-minute average.

Narrative Requirements:

Applicable Regulations:

Condition No.	Condition
T-1	Applicable Regulations: New process operations is applicable to each affected facility associated with a process operation commenced after July 2, 1975 and limits particulate emissions. [401 KAR 59:010]

Additional Limitations:

Condition No.	Condition
T-2	Additional Limitations: In order to meet the Particulate Matter emission limit, the amount of wood fuel shall not exceed 135 pounds per hour. [401 KAR 59:010 Section 3]

Reports and Submittals:

Condition No.	Condition
T-3	Reports and Submittals: The Permittee shall submit semiannual reports containing daily records of wood combusted and hours of operation. [401 KAR 52:040 Section 10]

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Narrative Requirements:

Monitoring:

Condition No.	Condition
T-4	Monitoring: the permittee shall monitor and keep records of the amount of wood combusted and hours of operation on a daily basis. [401 KAR 52:040 Section 10]

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COMB3 (EP6) Oak chip toasting; Fuel: natural gas:

Narrative Requirements:

Monitoring:

Condition No.	Condition
T-1	Monitoring: The permittee shall monitor and keep records of the amount of natural gas combusted on a monthly basis. [401 KAR 52:040 Section 10]
Condition No.	Condition
T-2	This activity is insignificant and 401 KAR 59:015 is generally applicable. [401 KAR Chapter 52]

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EQPT1 (EP1) Saw mill (rough dimensional stave) operation; 13,578 tn/yr:

Narrative Requirements:

Monitoring:

Condition No.	Condition
T-1	Monitoring: The permittee shall monitor and keep records of the amount of wood processed on a monthly basis. [401 KAR 52:040 Section 10]
Condition No.	Condition
T-2	This activity is insignificant and 401 KAR 59:010 is generally applicable. [401 KAR Chapter 52]

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EQPT2 (EP2) Cooperage operation; 9448 tn/yr:

Limitation Requirements:

Condition No.	Parameter	Condition
L-1	PT (Particulate Matter)	Each unit shall have emissions of PT (Particulate Matter) ≤ 2.34 lb/hr if the process weight rate for the unit is 1,000 lbs/hr or less. If the process weight rate for the unit is above 1,000 lbs/hr, the limit on emissions of particulate matter from the unit can be determined (in lbs/hr) by taking the process weight rate for materials introduced into the unit (in tons/hr), raising the process weight rate value to the 0.62 power, and multiplying by 3.59 (maximum = $3.59 \times \text{process weight rate}^{0.62}$). [401 KAR 59:010 Section 3(2)] Statistical basis: Three-hour average.
L-2	Visible Emissions	Each unit shall have Visible Emissions < 20 % opacity. [401 KAR 59:010 Section 3(1)] Statistical basis: Six-minute average.

Narrative Requirements:

Applicable Regulations:

Condition No.	Condition
T-1	Applicable Regulations: New process operations is applicable to each affected facility associated with a process operation commenced after July 2, 1975 and limits particulate emissions. [401 KAR 59:010]

Monitoring:

Condition No.	Condition
T-2	Monitoring: The permittee shall monitor and keep records of the amount of wood processed on a monthly basis. [401 KAR 52:040 Section 10]

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EQPT3 (EP5) Oak chip production; 135 tn/yr:

Narrative Requirements:

Monitoring:

Condition

No. Condition

T-1 Monitoring: The permittee shall monitor and keep records of the amount of wood processed on a monthly basis. [401 KAR 52:040 Section 10]

Condition

No. Condition

T-2 This activity is insignificant and 401 KAR 59:010 is generally applicable. [401 KAR Chapter 52]